Government of India with representatives of some of the State Governments and of some other relevant Departments of the Government of India as members.

The Committee is to develop clear and measurable criteria for assessing revenue loss, if any, to individual States due to introduction of VAT and make recommendations regarding the manner as well as quantum of compensation.

Cess on crude oil production

†3151. SHRI RAJIV RANJAN SINGH 'LALAN': Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that cess at the rate of Rs. 900 per tonne is being collected by Government on domestic crude oil production in the country;

(b) if so, when this cess was introduced and the amount of total collection from the cess till March, 2002;

(c) whether it is also a fact that this cess was imposed for the development and expansion of the petroleum sector; and

(d) if so, what is Goverment's reaction in this regard and the balance amount in this fund?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes Sir.

(b) Levy of cess on crude oil produced in India at the rate of Rs. 60 per tonne was introduced with effect from 13.1.1975. At present the rate of cess on the production of domestic crude oil is Rs. 1800 per tonne other than crude oil produced under specified production sharing contracts for which the rate of cess is Rs. 900 per tonne. The net cess proceeds collected till March 2002 is approximately Rs. 39,600 crores.

(c) and (d) The cess has been imposed for development of oil

†Original notice of the question was received in Hindi.

industry which includes petroleum sector industries and is being utilized either directly by the Central Government or through Oil Industry Development Board.

Levy on Petrol, Diesel, LPG and Kerosene

†3152. SHRI RAJIV RANJAN SINGH 'LALAN': Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of Government levy on petrol, diesel, kerosene and LPG in the county is 62%, 41% 109% and 85% respectively;

(b) if not, the existing rate of levy on above items; and

(c) whether it is also a fact that the Ministry of Petroleum and Natural Gas has requested the Ministry of Finance to reduce the rates of these levies, if so, Government's decision thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes Sir.

(b) The rate of basic customs duty on petrol and diesel is 20% *ad valorem*. The rate of basic customs duty on kerosene for the public Distribution System is 10% and that for other purposes is 20%. The rate of basic customs duty on LPG is 10%. The rate of excise duty on petrol is 32% *ad valorem* plus Re 6/litre and that on diesel, kerosene and LPG is 16%, *ad valorem*. The rates of sales tax vary from State to State.

(c) The Ministry of Petroleum and natural Gas have taken up with the Ministry of Finance for adjustment in excise duty rates for petrol and diesel and to put in place a suitable mechanism so as to contain the impact of volatility in the international crude oil prices on the domestic prices of petrol and diesel. No decision has been taken in the matter.

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†Original notice of the question was received in Hindi.